

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF)	CASE NO.
LOUISVILLE GAS AND ELECTRIC)	2004-00214
COMPANY FROM NOVEMBER 1, 2003)	
TO APRIL 30, 2004)	

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission, on June 23, 2004, established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Louisville Gas and Electric Company ("LG&E") for the six months ended April 30, 2004.

As part of this review, LG&E, pursuant to Commission Order, submitted certain information concerning its compliance with Administrative Regulation 807 KAR 5:056. A public hearing was held on September 16, 2004.

The Commission has previously established LG&E's base fuel cost at 12.81 mills per Kwh.¹ A review of LG&E's monthly fuel clause filings shows that the actual fuel cost incurred for the six-month period under review ranged from a low of 10.71 mills in February 2004 to a high of 13.49 mills in April 2004, with a six-month average of 11.57 mills.

¹ Case No. 2002-00434, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Louisville Gas & Electric Company from November 1, 2000 to October 31, 2002, Order dated April 30, 2003.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence of improper calculation or application of LG&E's FAC charges or improper fuel procurement practices.

IT IS THEREFORE ORDERED that the charges and credits billed by LG&E through its FAC for the period November 1, 2003 to April 30, 2004 are approved.

Done at Frankfort, Kentucky, this 29th day of October, 2004.

By the Commission

ATTEST:


Executive Director